


# Lundor mines limited

*Annual Report*

For the year ended December 31, 1973



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# LUNDOR MINES LIMITED

## OFFICERS

ROBERT C. STANLEY, JR. .... President  
IAN T. H. HAMILTON .... Secretary  
D. M. GIACHINO .... Vice-President - Mining

## DIRECTORS

JOHN C. L. ALLEN	PETER A. ALLEN
D. C. WEBSTER	I. T. H. HAMILTON
ROBERT C. STANLEY, JR.	

## TRANSFER AGENTS

CANADA PERMANENT TRUST COMPANY  
Toronto, Ontario

## AUDITORS

THORNE GUNN & CO.  
Toronto, Ontario

## HEAD OFFICE

Suite 1900, 101 Richmond Street West, Toronto, Ont.



# LUNDOR MINES LIMITED

(Incorporated under the Laws of Ontario)

## BALANCE SHEET — DECEMBER 31, 1973 (with comparative figures at December 31, 1972)

ASSETS		1973	1972
CURRENT ASSETS			
Cash and short term deposits .....		\$ 98,741	\$ 7,344
Marketable securities, at cost less allowance for decline in market value 1973, \$290,000; 1972, \$115,000 (quoted market value 1973, \$1,111,500; 1972, \$1,253,390) ....		1,111,377	1,253,392
Accounts receivable and accrued interest .....		180	437
		<u>1,210,298</u>	<u>1,261,173</u>
INVESTMENTS IN OTHER COMPANIES			
Shares in associated companies, at cost (quoted market value 1973, \$10,215; 1972, \$11,473) .....		12,498	11,248
Shares in other companies, at cost less amounts written off (quoted market value 1973, \$117,390; 1972, \$170,495)		228,089	218,089
		<u>240,587</u>	<u>229,337</u>
OTHER ASSETS			
Interest in patented mining claims, Doran Lake, Ontario, at cost .....		2,000	2,000
Deferred exploration expenditures, Doran Lake, Ontario, claims in which the company has an interest of 48½ %		8,672	8,672
		<u>10,672</u>	<u>10,672</u>
		<u>\$1,461,557</u>	<u>\$1,501,182</u>
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable to associated company .....		\$ 9,000	
SHAREHOLDERS' EQUITY			
CAPITAL STOCK			
Authorized — 3,000,000 shares without par value .....			
Issued — 950,001 shares .....		1,915,005	\$1,915,005
DEFICIT .....		462,448	413,823
		<u>1,452,557</u>	<u>1,501,182</u>
		<u>\$1,461,557</u>	<u>\$1,501,182</u>

Approved by the Board

P. A. Allen, Director

D. C. Webster, Director

# LUNDOR MINES LIMITED

## STATEMENT OF INCOME AND DEFICIT YEAR ENDED DECEMBER 31, 1973 (with comparative figures for 1972)

REVENUE	1973	1972
Dividends and interest .....	\$ 45,216	\$ 13,188
ADMINISTRATIVE AND CORPORATE EXPENSES		
Management, engineering, accounting and secretarial services .....	18,000	7,500
Shareholders' meetings and reports .....	1,352	1,627
Legal and audit .....	596	2,498
Share issue expenses .....	1,740	2,292
Interest expense .....	1,411	
Sundry .....	51	253
	23,150	14,170
Outside exploration .....	5,002	
	28,152	14,170
Income (loss) before extraordinary items .....	17,064	(982)
EXTRAORDINARY ITEMS		
Gain on investments sold .....	109,311	240,859
Allowance for decline in market value of marketable securities .....	175,000	25,000
	(65,689)	215,859
Net income (loss) for the year .....	(48,625)	214,877
Deficit at beginning of year .....	413,823	628,700
Deficit at end of year .....	\$ 462,448	\$ 413,823
Net income (loss) per share		
Income before extraordinary items .....	2¢	
Net income (loss) for the year .....	(5)¢	23¢



# LUNDOR MINES LIMITED

## STATEMENT OF SOURCE AND APPLICATION OF FUNDS YEAR ENDED DECEMBER 31, 1973 (with comparative figures for 1972)

SOURCE OF FUNDS	1973	1972
Income before extraordinary items .....	\$ 17,064	
Gain on sale of marketable securities .....	109,311	\$ 54,957
Sale of shares		
Associated companies .....		933,435
Other companies .....		125,589
	<u>126,375</u>	<u>1,113,981</u>
APPLICATION OF FUNDS		
Loss before extraordinary items .....		982
Increase in allowance for decline in market value of marketable securities .....	175,000	25,000
Purchase of shares		
Associated companies .....	1,250	84,819
Other companies .....	10,000	39,425
	<u>186,250</u>	<u>150,226</u>
Increase (decrease) in working capital .....	(59,875)	963,755
Working capital at beginning of year .....	<u>1,261,173</u>	<u>297,418</u>
Working capital at end of year .....	<u>\$1,201,298</u>	<u>\$1,261,173</u>

### AUDITORS' REPORT

#### To the Shareholders of Lundor Mines Limited

We have examined the balance sheet of Lundor Mines Limited as at December 31, 1973, and the statements of income and deficit and source and application of funds for the year then ended. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion these financial statements present fairly the financial position of the company as at December 31, 1973, and the results of its operations and the source and application of its funds for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Toronto, Canada  
January 9, 1974

THORNE GUNN & CO.  
Chartered Accountants



# LONG LAC MINERAL EXPLORATION LIMITED

Late in 1973, Lac Minerals optioned the former Golden Sunbeam Mine in central Idaho, U.S.A. The potential for a large-tonnage, low-grade, gold-silver operation exists on this property. Preliminary assay and metallurgical results have been favourable; however, a considerable amount of work will be required to evaluate this prospect.

An agreement has been entered into directed towards a large-scale reconnaissance prospecting-exploration search for minerals in northern Canada. This project will cover a three-year period and will employ the most recent techniques and theories in mineral exploration. In addition, a study will be conducted as to the applied use of the new Earth Satellite Remote Sensing devices in mineral exploration.

In addition to the reported exploration expenditures, a purchase of 200,000 shares of Taurus Oil Ltd. was made for \$200,000, with an option to purchase a further 200,000 shares at \$1.50 per share. Taurus is a new company formed in 1973 by Mr. John Downing, the President and Founder of the former Polaris Oil Ltd. Taurus is active in the search for oil and/or gas deposits in four countries, with principal exploration activities centred in Canada and the United States. The sale of Lac Minerals' interest in the predecessor company, Polaris Oils Ltd., resulted in a net profit of \$135,000.

Follow-up geological and geophysical work along with diamond drilling was conducted on a large parcel of land in Newfoundland. Results proved to be sub-economic and no further work is contemplated at this time.

A property including the former Darkwater gold mine was optioned, and eight contiguous claims staked, four miles west of the Mattabi Mines in the Sturgeon Lake volcanic belt. A limited amount of drilling was conducted on the property in the fall of 1973, and further work to evaluate both the base metal and gold potential is planned during 1974.

Two coal properties, Moose Mountain and Brule Lake, in which Lac Minerals has an interest, were drilled by the Granby Mining Company. Some encouragement was obtained in the Brule Lake drilling, and further drilling will be conducted in 1974.

Exploration expenditures for the year were \$150,000, excluding the Taurus Oil purchase.

In the summer of 1973, Long Lac Mineral's Western Division was established in Vancouver under the direction of Mr. V. F. Erickson, B.A.Sc., M.B.A.

Lac Minerals exploration costs are shared by the following companies: Lake Shore Mines, Limited, 25%; Little Long Lac Mines Limited and Willroy Mines Limited, 20% each; Malartic Gold Fields (Quebec) Limited, Wright-Hargreaves Mines, Limited and East Malartic Mines Limited, 10% each; and Lundor Mines Limited, 5%.

DENNIS SHEEHAN,  
Exploration Manager.

